

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

Gas Transmission Northwest LLC) Docket No. CP22-2-000

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**MOTION TO INTERVENE AND PROTEST
OF PACIFIC GAS AND ELECTRIC COMPANY**

Pursuant to Rules 211 and 214 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission (“Commission”), 18 C.F.R. §§ 385.211 and 214, Pacific Gas and Electric Company (“PG&E”) hereby moves to intervene and protests the Abbreviated Application for A Certificate of Public Convenience and Necessity (“Application”) filed by Gas Transmission Northwest LLC (“GTN”) in the above-captioned docket on October 4, 2021. In this certificate proceeding, PG&E opposes GTN’s request for prior approval of rolled-in rates. The issue should be determined in GTN’s next Natural Gas Act (“NGA”) Section 4 rate case, after additional information is provided to enable the Commission and parties to sufficiently evaluate whether the costs contained in this Application should be rolled in to GTN’s existing recourse rates.

In support of this request, PG&E states as follows:

I. COMMUNICATIONS

All communications, correspondence, and documents related to this proceeding should be served on the following persons:

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II. SUMMARY OF APPLICATION

GTN is requesting authorization to construct and operate what it terms the GTN XPress Project located in Kootenai County, Idaho, Walla Walla County, Washington, and Sherman County, Oregon. GTN states that the GTN XPress Project consists of modifications to its existing No. 5 Athol, No. 7 Starbuck, and No. 10 Kent Compressor Stations and installation of various appurtenant and auxiliary facilities to provide 150,000 dekatherms per day (Dth/d) of incremental firm transportation capacity from GTN's Kingsgate Meter Station to its Malin Meter Station. GTN states that the project will cost approximately \$75.1 million and requests predetermination of rolled-in rate treatment for the Project.¹

III. MOTION TO INTERVENE

The exact legal name of movant is Pacific Gas and Electric Company. PG&E is a corporation organized and existing under the laws of the State of California and has its principal place of business at 77 Beale Street, San Francisco, California 94105. PG&E is a regulated public utility under the California Public Utilities Code, and a "local distribution company" ("LDC") within the meaning of Section 2(17) of the Natural Gas Policy Act of 1978, 15 U.S.C. § 3301(17), and the Commission's regulations thereunder.

PG&E is engaged in, among other things, the "local distribution of natural gas" within the meaning of Section 1(b) of the NGA, 15 U.S.C. § 717(b). PG&E distributes natural gas and electricity throughout northern and central California to a population of approximately 15 million people served by over 4 million gas accounts. PG&E is one of the largest energy utilities, as well as one of the largest LDCs, in the United States.

PG&E's California gas transmission system presently receives gas from four major sources of natural gas supply: producers in California gas fields; gas from the Rocky Mountains, which is delivered by Kern River Gas Transmission Company and by Ruby Pipeline; gas originating in the Western Canadian Sedimentary Basin, which is delivered to PG&E's system

¹ Application at 13-14.

by GTN; and gas from the U.S. Southwest by El Paso Natural Gas Company and by Transwestern Pipeline Company.

PG&E is a firm shipper on the GTN pipeline and procures gas on behalf of core gas customers. In addition, PG&E procures natural gas for its gas fired power plants. PG&E operates a major pipeline system downstream of GTN in California, under the jurisdiction of the California Public Utilities Commission pursuant to Section 1(c) of the NGA (the Hinshaw Amendment), 15 U.S.C. § 717(c). PG&E's gas system serves markets throughout California, including PG&E's public utility franchise service territory in northern and central California.

As a firm shipper and the operator of a major pipeline system and LDC downstream of GTN's pipeline, PG&E has a substantial interest in the outcome of this proceeding. No other party can adequately represent PG&E's interest.

IV. PROTEST

PG&E protests GTN's request that the Commission pre-determine that the estimated capital costs of the GTN XPress Project may be rolled-in to its existing recourse rates in its next NGA Section 4 rate case. As described in the Commission's Certificate Policy Statement,² to receive authorization for rolled-in rate treatment for expansion facilities, a pipeline must demonstrate that rolling in the costs associated with the construction and operation of new facilities will not result in existing customers subsidizing the expansion. In general, this means that a pipeline must show that the revenues to be generated by an expansion project will exceed project costs. For purposes of making a determination in a certificate proceeding as to whether it would be appropriate to roll the costs of a project into the pipeline's system rates, the Commission compares the cost of the project to the revenues generated using actual contract volumes and either the maximum recourse rate or, if the negotiated rate is lower than the recourse rate, the actual negotiated rate.³

² *Certificate Policy Statement*, 88 FERC ¶ 61,227 (1999), *clarified*, 90 FERC ¶ 61,128, *further clarified*, 92 FERC ¶ 61,094 (2000).

³ *See Tennessee Gas Pipeline Co., L.L.C.*, 144 FERC ¶ 61,219 at P 22 (2013).

In its Application, GTN claims that the proposed GTN XPress Project will generate estimated revenues greater than the estimated cost-of-service but has failed to provide sufficient information as to how the current GTN XPress Project interrelates with additional phases GTN has indicated it intends to construct as part of the GTN XPress Project. GTN has previously indicated that the total price of the GTN XPress Project is \$335 million, to be constructed in multiple stages⁴ with a potential additional capacity of 250,000 Dth/d.

Given the lack of information about the impact of the GTN XPress Project as a whole on existing shippers, it is inappropriate at this time to make a determination whether rolled in rates are appropriate. PG&E requests that the Commission defer any decision on the appropriateness of rolled in rate treatment until such time as GTN makes its next Section 4 rate filing. At a minimum, before granting approval, PG&E requests that the Commission convene a technical conference and direct GTN to provide additional information necessary to allow its existing customers to fully explore GTN's assumptions about the costs of the current phase as well as the impact of the entire GTN XPress Project.

⁴ See e.g. <https://www.tcpipelineslp.com/assets/growth-projects/> ("GTN XPress project is our largest-ever organic growth opportunity.")

V. CONCLUSION

WHEREFORE, for the foregoing reasons, PG&E respectfully requests that the Commission grant its motion for party status; that it be permitted to intervene in the above-captioned proceeding with the full rights and privileges accorded to parties; and that the Commission take action in this proceeding consistent with PG&E's protest herein.

Respectfully submitted,

By: Lindsey How-Downing

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November 9, 2021

CERTIFICATE OF SERVICE

I hereby certify that the foregoing document has been served upon each person designated on the official service list compiled by the Secretary in this proceeding in accordance with the requirements of Rule 2010 of the Commission's Rules of Practice and Procedure.

Dated at Contra Costa County, California, this 9th day of November, 2021.

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